



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

May 16, 2012

Assembly Member Henry Perea
State Capitol
Sacramento, CA 95814

RE: Opposition to AB 2323

Dear Assembly Member Perea:

I am writing to express my opposition to your Assembly Bill 2323.

As you are aware, the Board of Equalization (BOE) is the appellate body for disputes arising under franchise and income laws, as well administering sales and use tax and property tax. The Board hears these cases in a public process at noticed meetings, which are open to the public to view in person or via the Board's live streamed coverage. The Board also currently has the authority to issue a written formal opinion or a written memorandum opinion in any case that we choose to do so.

AB 2323 would mandate the Board of Equalization to, within 90 days, publish a written formal opinion, written memorandum opinion, or a written summary opinion for every decision in which the amount of the controversy is \$500,000 or more. This is a burdensome and unnecessary mandate that will be costly and will also delay the appeals process. BOE is currently calculating an estimate of those additional costs and potential delays.

As you noted in the policy committee, the BOE has issued fewer written opinions in recent years. Like you, I support the idea of publishing more written opinions. The best public policy is to allow the elected members of the BOE to continue to review all cases (not just those above an arbitrary dollar amount) and determine when publishing will provide necessary clarity for the taxpayer and the law. This flexible approach saves resources and avoids confusion which could be created by duplicative opinions.

For all the reasons expressed, I must respectfully oppose this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Runner".

GEORGE RUNNER